

IN THE UNITED STATES PATENT OFFICE

Rick Sheppard

Serial No.: 09/747,529

Filed: December 22, 2000

JACQUARD WOVEN TEXTILE WITH GRAPHIC IMPRESSION AND A METHOD OF
MAKING THE SAME

Supplemental Affidavit under 37 C.F.R. 1.132

State of North Carolina

County of Union

I, Rick Sheppard, being duly sworn, depose and say that I'm president of Devant Limited and have been wholly employed there since 1977. I'm also the inventor of the above identified invention commercially known as the Edge® towel.

As stated in my earlier Affidavit, Devant is the leading manufacturer of Golf Towels in the United States and the Assignee of the Edge towel. In my earlier Affidavit I state what the Edge towel is and why I believe it is so immensely successful. Those things that are believed to contribute to its success in the marketplace are described and claimed in the present application noted above.

In addition to the statements in my earlier Affidavit, I hereby supply the following confidential and commercially sacred information concerning the sales of the Edge towel.

The Edge towel was first introduced in year 2000 and there were 3 types, namely: 1) the Edge Hand towel, 2) the Edge Pro towel, and 3) the Edge Beach towel. Starting in 2001 and continuing to 2002, the Tournament Edge towel was added to the mix. Although the Edge towel never accounted for more than 1% of all Devant's products, they account for 3.4%, 15% and 21.3% of the total pieces sold and respectively account for 4.3%, 19.8% and 25.6% of the total revenue for the years 2000, 2001, and 2002. It is clear that the Edge towel is quickly becoming 50% of the sales of all Devant products and has a greater margin of profitability than the remaining products. The information for years 2000, 2001, and 2002 are set forth on the attachment. This Affidavit sets forth the commercial success that this product has enjoyed since its infancy and continues through today.

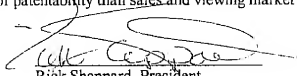
As additional evidence of commercial success, copying of the invention by competitors is a significant factor. As evidence of copying, attached as Exhibits A and B, are letters to and from competitors who have copied the Edge towel.

In early 2001 Devant attended the big PGA show in Las Vegas. Just before the doors opened for the show, I walked past the Tommy Hilfiger booth and knock-off Edge towels were displayed. I immediately sought and discussed this with David Leveille, a long time professional colleague, and explained that the Edge towel is unique to Devant.

Additionally I told him of the filed patent application and asked him to pull the knock-off Edge towels from the booth and not to produce them. David agreed to this. Exhibit A is my follow up letter expressing my sincere thanks, but also enforcing the importance of this product to Devant.

During the first quarter of 2002, I learned that Admanco was knocking-off the Edge towel. I called Christopher Bumby, President and CEO and spoke with him about Admanco's potential infringing activities. Exhibit B is Christopher Bumby's reply letter to me acknowledging that no further copying will occur.

Competitors are often asking what is the status of the patent. Competitors recognize the long felt need for the product and have attempted to copy it. "Copying is the best form of flattery." It demonstrates what a combination of references by the Examiner cannot demonstrate – that the marketplace recognizes the value of the Edge towel. Evidence of this nature is even more persuasive of patentability than sales and viewing market shares.


Rick Sheppard, President

From this 31 day of March, before me personally appeared Rick Sheppard, known to be the individual described herein and who executed the foregoing instrument and who thereupon acknowledged to me that he executed the same for the purposes set forth herein.

Witness my hand and official seal, this 31 day of March 2003.

(Official Seal)


Notary Public

My Commission Expires October 2, 2005

Devant Ltd
Edge Towel sales from 2000 - 2002

Year	Total # of Edge styles offered	Total # of Devant styles	Edge as a % of total styles	1% of Devant's products account for 3.4% of our total pieces sold and 4.3% of our total revenue. 1% of Devant's products account for 15.0% of our total pieces sold and 19.8% of our total revenue. 1% of Devant's products account for 21.3% of our total pieces sold and 26.5% of our total revenue.
2000	3	581	1%	
2001	4	451	1%	
2002	4	354	1%	

Year	Style #	Edge Towel Type	Pcs	\$	Total of all Devant items sold Pcs	\$	Percentage of Total Pcs	\$
2000	D Edge		283	1,112.77				
	Edge		876	3,415.35				
	H Edge		7,284	42,127.52				
	T Edge		41,046	234,459.20				
	Edge Hand Towels		49,491	281,114.84			3.4%	4.1%
	Edge Pro		-	-			0.0%	0.0%
	Edge Beach		935	10,224.91			0.1%	0.2%
	Total Edge Sales		50,426	291,339.75	1,476,380	6,795,326.34	3.4%	4.3%
	D Edge		532	2,480.06			14.6%	18.4%
	H Edge		2,298	14,353.67			0.1%	0.2%
2001	T Edge		180,977	1,142,141.53			0.0%	0.0%
	Edge Hand Towels		193,137	1,168,975.28			0.1%	0.2%
	Tournament Edge		964	14,702.30			0.0%	0.0%
	Edge Pro		97	853.60			0.3%	1.1%
	Edge Beach		4362	71,137.55			15.0%	19.8%
	Total Edge Sales		198,745	1,245,668.73	1,322,157	6,291,932.80		
	D Edge		16,771	47,426.97			20.0%	23.6%
	H Edge		663	3,308.37			0.8%	0.4%
	T Edge		225,777	1,389,478.43			0.0%	0.0%
	Edge Hand Towels		243,271	1,440,213.77			0.5%	1.5%
2002	Tournament Edge		9,459	25,121.27			0.0%	0.0%
	Edge Pro		51	446.80			0.0%	0.0%
	Edge Beach		5,628	92,591.23			0.0%	0.0%
	Total Edge Sales		289,393	1,558,775.07	1,214,862	6,091,563.91	21.3%	26.5%

Exhibit A

DEVANT LTD

1-800-234-3487

3011 WALKUP AVENUE • MONROE, N.C. 28110

FAX 704-283-2630

February 8, 2001

Tommy Hilfiger
Dave Leveille
25 West 39th Street-14th Fl.
New York, NY. 10018

Dear David,

It was great to see you at the recent PGA show my only regret was that our meeting was under an awkward circumstance. I appreciate your quick response to our concern by pulling product which may potentially infringe on a recent pending Devant patent.

Our broad claim in this patent seeks protection utilizing graphic impression (such as image dyeing, screen printing, heat transfer, or digital imaging) in conjunction with the jacquard woven process. In addition to this broad claim we have filed a dozen narrowed claims. Extensive research leads us to think this patent has an excellent chance to issue. I have enclosed a recent copy of our catalogue for your perusal and have attached the name and phone number of our lead consul on this project should your legal department have further questions.

Regarding the disposition of existing product I would like to make two suggestions:

- 1) Sell any current product through European or Asian outlets-(This year the U.S. and Canada is our primary concern. We will not begin distributing outside of the U.S. until much later this year.)
- 2) Your Current product can be easily changed in future runs by jacquard weaving the name instead of printing to prevent future potential infringement.

David, we've been friends for many years and while this is an awkward situation I'm certain that you will handle this in professional manner which you have demonstrated in our discussion at the PGA show and all our interactions of the past. I believe this patent pending may represent one the most exciting accomplishments for Devant in the past twenty-six years and is the result of many years of research and development.

Thank you again for the way you handled my concerns during the PGA show and please let me know if you need anything else to help resolve this matter. Best wishes to you and your family and hope you have a great year in 2001.

Sincerely,

Rick Sheppard,
President



CLOTH PROMOTIONAL PRODUCTS SINCE 1922

Exhibit B

RECEIVED

MAR 15 2002

March 3, 2002

Mr. Rick Sheppard
DEVANT LTD
3011 Walkup Ave.
Monroe, NC 28110

Dear Rick,

This letter serves to confirm our conversations regarding The Edge Towel and the DEVANT LTD pending patent on the process of screen-printing or other imprinting of a jacquard woven towel.

Admanco, Inc. agrees that we will not sell the imported version of the windowpane design jacquard woven towel with any other decoration process other than embroidery. Furthermore, we will notify every distributor of Admanco, Inc. when they inquire about the towel of the pending patent and that the only way this towel can be sold is with an embroidered logo or copy. In addition, all future literature published with this towel included will not show or reference any screen-printing options.

I wish you a successful granting of your patent as I see you have been waiting several years, and continued success with DEVANT LTD and Carolina Sport Towels. I look forward to meeting you in person soon at an upcoming show.

Sincerely,

Cristopher W. Burnby, CAS
President & CEO